



## AMERICAN ARBITRATION ASSOCIATION

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In the Matter of the Arbitration between

Case Number: 01-18-0003-1678

Astria Robinson

-vs-

Money Network Financial, LLC and MetaBank  
and First Data Corp.

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### AWARD OF ARBITRATOR

I, Christine Olson McTigue, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into by the above-named parties, and having been duly sworn, and oral hearings having been waived in accordance with the Rules, and having fully reviewed and considered the written documents submitted to me by the parties, each represented by counsel, do hereby, AWARD, as follows:

1. This matter comes before me on a documents-only submission. The parties, through counsel, have submitted their briefs and exhibits, which I have read.
2. The respondent MetaBank issued a prepaid debit card to the claimant, Astria Robinson. She asserts that unauthorized transactions were made on this card between March 16, 2018 and April 16, 2018, when she claims she was incarcerated. In an interview with respondents, Robinson admitted that she was actually incarcerated from March 15-23, 2018. Of all the disputed purchases, only one was made during this period: a purchase for \$286.00 made at the Walmart in Oswego, Illinois, on March 16, 2018. Robinson had previously used her card on multiple occasions at this same Walmart, and at a Shell station location where the disputed transactions occurred. The disputed transactions also include "inmate payments."
3. On April 17, 2018, Robinson contacted the respondents to file a dispute; on April 24, 2018, she submitted a written customer dispute form regarding the above transactions.
4. On April 27, 2018, MetaBank sent Robinson a letter acknowledging the claim and stating:  
  
Based on the results of this investigation, your claim has been denied due to inconsistent/conflicting information. You have the right to request copies of the documents that we relied on in making our determination.
5. On August 9, 2018, claimant's counsel sent a letter to respondents requesting a written denial of the claim and any supporting documents. The respondents replied in a letter dated August 30, 2018. That letter states:  
  
As a primary matter, the account notes documented by fraud investigation team and customer service each time your client contacts Money Network contradicts the representations made to you by your client. Specifically, although you claim your client was "incarcerated at the time of the unauthorized transactions", on April 17, 2018, your client informed Money Network that she was incarcerated from March 15, 2018 to March 23, 2018.

The letter also states:

Furthermore, unlike most card fraud the use pattern in this instance is consistent with legitimate purchases and Ms. Robinson's regular spending patterns. The charges she has challenged are all small dollar purchases at stores where Ms. Robinson regularly shops. There are no indications of fraud associated with the transactions themselves.

6. This arbitration raises four claims, all alleging a violation of the Electronic Funds Transfer Act (12 C.F.R. 205) ("the Act"). Claim I is labeled "unauthorized transactions," claim II is "response time-denial," claim III is "investigative documents-response time," and claim IV is "explanation of findings." Claim V has been withdrawn.

The claimant seeks actual damages, statutory damages, and attorney fees. The respondent seeks to recover its attorney fees on the basis that the action was brought in bad faith and for harassment.

7. As to claim I, it is the respondents' burden to show that the transactions were authorized. The respondents' reasons for denying the disputed charges, as set forth in their letters of April 27 and August 30, are sufficient to meet their burden of proof, *except* for the transaction that took place on March 16, 2018, a purchase for \$286.00 made at the Walmart in Oswego, Illinois. The respondents acknowledge that Robinson was incarcerated when this transaction took place.

The respondents contend that claimant's conflicting and inconsistent statements undermine her entire claim. I do not agree that claimant's statements act as a bar to claim I in its entirety. The March 16th transaction was made while claimant was incarcerated. I find in favor of the claimant as to claim I but only for this one transaction. As for the other transactions, the respondents have met their burden. The actual damages sustained by the claimant as to claim I is \$286.00.

8. Addressing claim II, the timing of denial of the claim, I find in favor of the respondents. They sent a letter to the claimant dated April 27th, eight business days after the initial notice of claim.

9. Turning to claim III, investigative documents, in her reply the claimant relies upon the interview the respondents conducted with the claimant and the fact gleaned from that interview that claimant was only incarcerated from March 15-23, 2018. The claimant then raises the question, "[w]here are the case notes and telephone records that Respondents reviewed?"

I find in favor of the claimant as to claim III. The respondents' August 30th letter refers to account notes. Rino Ruma's affidavit states that Ruma reviewed the account notes and transaction history for the claimant's card. No notes or printed transaction history was provided to claimant or her counsel.

However, I find that the claimant has not proved any actual damages as a result of this violation of the Act.

10. As to the final claim IV, explanation of findings, I find in favor of the respondents. The respondents' letter of April 27 states that claim was denied "due to inconsistent/conflicting information." This may not be the lengthiest or most thorough explanation, but it is nonetheless an explanation. This distinguishes the respondents' letter from the letters sent in the decisions cited by claimant in which no explanation was given.

11. Regarding the claimant's damages, I award actual damages on claim I in the sum of \$286.00. I do not award any actual damages on claim III.

I award \$100 in statutory damages. The claimant has not demonstrated the respondents' frequent noncompliance with the Act. In addition, the documents that the respondents did not produce relate to the actual dates of the claimant's incarceration, information that the claimant provided to the respondents. Contrary to the claimant's

contention, she is not entitled to \$1000 for each alleged violation of the Act. In her opening brief, the claimant makes an argument regarding MetaBank's pattern and practice of deceptive behavior in other matters. The conduct in those matters is different from the conduct that is the basis of this claim.

12. The claimant also seeks attorney fees. The respondents argue: (1) that the fees are not reasonable and (2) that claimant should not be awarded fees for pursuing unsuccessful claims. I agree with the second point. The claimant is awarded half her attorney fees expended, which is \$1181.25.

13. The respondents request that attorney fees be awarded in their favor, and that the costs in this matter be reallocated. These requests are denied. I do not find that this claim was brought in bad faith or for purposes of harassment. In addition, the respondents did not file a counterclaim seeking fees.

14. In summary, I find in favor of the claimant as to claims I and III. I find in favor of the respondents as to claims II and IV. Neither party is the prevailing party. I therefore award the claimant \$286.00 in actual damages and \$100 in statutory damages, for a total damages award of \$386.00. I award the claimant \$1181.25 in attorney fees. The respondents are not awarded attorney fees and are not entitled to a reallocation of costs.

The administrative fees of the American Arbitration Association (AAA) totaling \$1,900 shall be borne as incurred, and the compensation of the arbitrator totaling \$1,500 shall be borne as incurred.

The above sums are to be paid on or before fourteen business days from the date of this Award.

This Award is in full settlement of all claims submitted to this Arbitration.- All claims not expressly granted herein are hereby denied.

February 27, 2019

  
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Christine Olson McTigue, Arbitrator